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ABSTRACT

Seventeen million people are employed in the delivery of government services in the United States, more than half of these in education, health care, and public safety. Others provide services related to defense, postal service, the environment, housing, and administration. Though 82 percent of public employees work for state and local government, the federal government spends more than half of all public monies, due to the large portion going to national defense. The United States invests fewer federal, state, and local resources in public services, and this under-investment takes its toll on living standards and economic vitality. The tax burden has shifted from corporations and the wealthy to low and middle income people. Annual earnings for full-time government employees is about average compared with U.S. median income, but there are still some major inequities. Public employees are the only group of workers in the United States without the federally protected right to organize and bargain collectively, so state and local employees have turned to state laws to guarantee such rights. When given the opportunity, public employees tend to choose union representation. According to polls, the vast majority of U.S. citizens support government spending on education, health care, housing, the environment, and elderly programs. The revenue necessary to finance these programs need not come from increasing the tax burden of low and middle income people, but billions of dollars more could be raised simply by closing corporate tax loopholes, raising the tax rate of the wealthy, and re-allocating military spending as the Cold War winds down. Quality public services strengthen the economy and communities, and bind together people as a society. (AS)

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PUBLIC EMPLOYEES

FACTS AT A GLANCE

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"We depend on government to keep this country safe in an uncertain world, to secure justice and domestic order, to maintain our infrastructure and social services, to explore outer space and to solve a host of pressing problems ranging from drug abuse to the diminishing ozone layer. We need the best possible people performing and overseeing these vital tasks."

Norman R. Augustine
CEO, Martin Marietta Corp.

Public Services Are Essential

Imagine a day without public services. No garbage pick-up. No park for the kids to play in. No clean water to drink. No mail delivery, interstate highways, urban mass transit, rural electrification, or flood control. Virtually no fire fighters, police, teachers, public nurses, astronauts, bridge inspectors, national park rangers, air traffic controllers, diplomats...

The list could go on and on. We all rely on public services. Whether educating the future generation, ensuring public health and safety, providing for the common defense, caring for the most vulnerable among us, or linking our communities and businesses with sophisticated transportation and communication networks -- public services are essential to our quality of life and economic vitality.

Public services benefit the entire society. They deliver services that no one individual or business could finance or provide on their own. Public services are uniquely democratic. They are financed primarily through tax dollars. Program and spending priorities are set by elected officials and administered by agencies and personnel accountable to the public.

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Part One: What Public Services Are and How We Pay for Them

What Are Public Services?

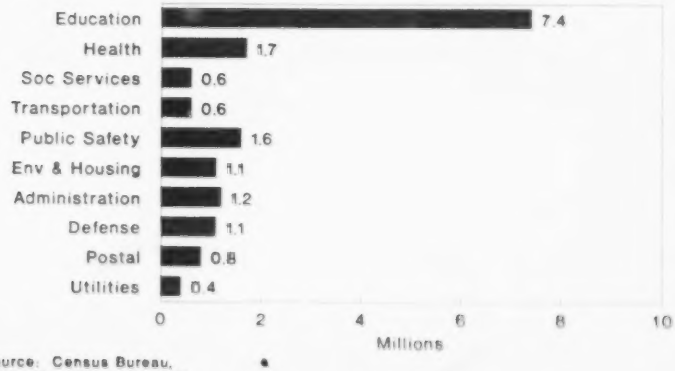
Seventeen million hard-working and dedicated public servants deliver government services. A look at where these public employees work tells the story of what we get for our tax dollars.

No public service is more important than the education of the future generation. More than four out of every ten public employees, or 7.4 million people in 1987, were employed in education. Almost one out of 10 public employees works in health care and another 10 percent of the government work force provides police, fire, or law enforcement protection.

More than one million people on the public payroll ensure the common defense, and 800,000 Americans spend their day delivering and sorting more than 540 million pieces of mail for the U.S. Postal Service.

About one in every 10 public employees works protecting the environment, or building and maintaining our nation's transportation systems or public housing stock. Only a relatively small percentage of the public work force (6.5 percent) is employed to administer the more than $1.7 trillion in public programs provided by state, local, and federal governments. (This figure is for 1986-87, the most recent data available.)

Chart 1.
Where Public Employees Work: Education, Health, Pub. Safety Dominate

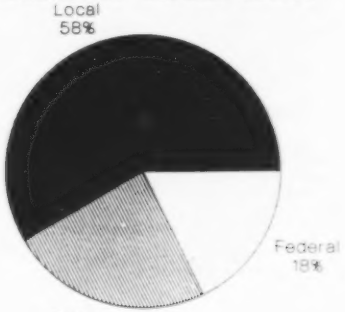


Source: Census Bureau, Public Employment in 1987

Most Public Employees Work in State and Local Government

More than four out of five public employees (82 percent) work for state or local government.

Chart 2.
Most Public Employees Work in State or Local Govt

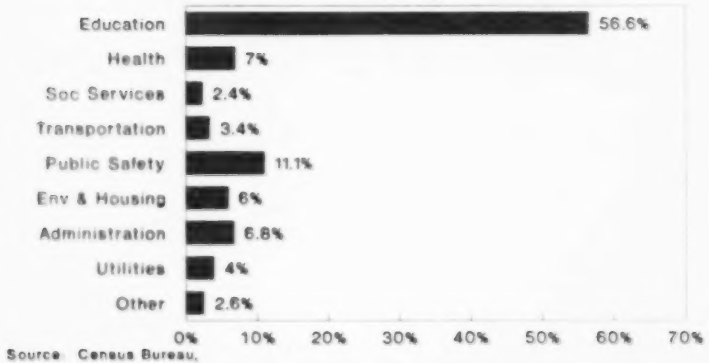


Source: Census Bureau, Public Employment in 1987

Services Provided by Public Employees: Local Government

In 1987, more than 10 million men and women worked for local government. The overwhelming majority were employed in education (56.6 percent) or public safety (11.1 percent).

Chart 3.
Services Provided by Local Government Public Employees

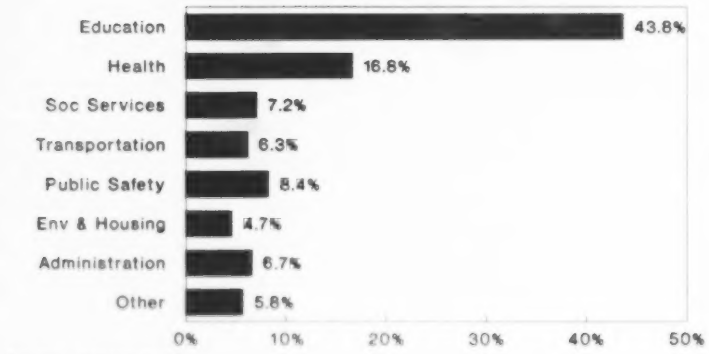


Source: Census Bureau, Public Employment in 1987

Services Provided by Public Employees: State Government

State governments employed more than four million workers in 1987. One of every six state employees worked in a public hospital, nursing home, or other health facility providing care to those Americans unable to afford the high costs of private health
8 care. Education also dominated state public employment (43.8 percent) and another 22 percent of state workers build and repair roads, provide public safety, and deliver social services.

Chart 4.
Services Provided by State Government
Public Employees



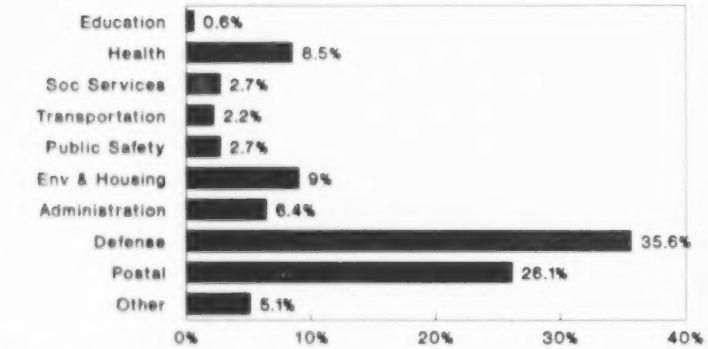
Source: Census Bureau,
Public Employment in 1987

Services Provided by Public Employees: Federal Government

Although the federal government employs less than 20 percent of all public workers, it spends more than half (56.8 percent in 1986-7) of all public monies. This is due to the large portion of the federal budget that goes to national defense ($298 billion in 1989) and the contracting for big-ticket military hardware.

Almost two-thirds of the 3.1 million federal employees work for the armed services (1.1 million) or the postal service (807,000). Others primarily deliver or administer social service, education, health, public safety, housing, transportation, or environmental programs.

Chart 5.
Services Provided by Federal Government Public Employees



Source: Census Bureau, Public Employment in 1987

How Large is the Public Sector?

U.S. Public Investment Lags Behind Major Competitors

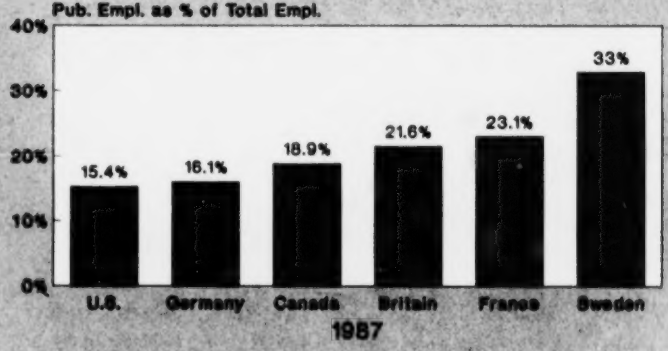
The strength and vitality of all the industrial democracies
10 requires a large public sector. And yet, the United States invests fewer federal, state, and local resources in public services than our major competitors. In 1985, West Germany spent 44.7 percent and Japan spent 32.1 percent of its gross domestic product (GDP) on non-defense government programs, compared to only 29 percent in the U.S.

The public sector in the U.S. is smaller than the public sectors in Western Europe and Canada. In the U.S., 15.4 percent of all workers are public employees, compared to 33 percent in Sweden, 23.1 percent in France, and 18.9 percent in Canada.

Chart 6.
U.S. Government Spending Lags Behind Other Industrial Democracies

Source: Economic Policy Institute, No Longer Leading

Chart 7.
U.S. Public Employment Lowest of All Western Democracies



Organisation for Economic Cooperation and Development, Labor Force Statistics 1967-87

Failure to Invest in Public Services Hurts U.S. Economy and Living Standards

The U.S. under-investment in public services takes its toll on U.S. living standards and economic vitality. International comparisons of infant mortality (the key public health indicator) and economic performance place Japan, West Germany, and Canada ahead of the U.S.

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Chart 8.
U.S. Ranks Near Bottom on Quality of Life and Economic Indicators

Country	Infant Mortality (per 1000 births) 1983-85	GDP Growth Per Capita 1960-87	"Misery Index" Unemployed & Inflation 1975-85
W. Germany	10.3	2.7	6.6
Japan	6.2	5.5	8.2
Canada	8.5	3.0	N/A
USA	**10.9**	**2.1**	11.3

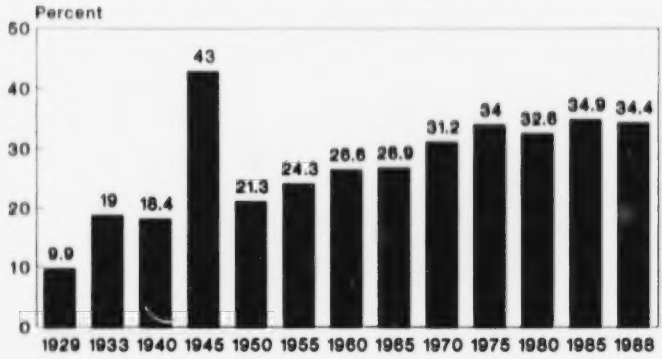
Sources: Organisation for Economic Cooperation and Development, Historical Statistics, 1960-84 and 1960-87; Economic Policy Institute, No Longer Leading

Total U.S. Government Spending Roughly Same as in Mid-1970s

The proportion of U.S. national income devoted to all government spending (including defense spending) grew steadily after World War II, peaking in the mid-1970s. Since then, it has remained relatively stable, accounting for about 34 percent of national income.

13

Chart 9.
Public Spending as a Percent of National Income



Source: Council of Economic Advisors, Economic Report of the President, 1989

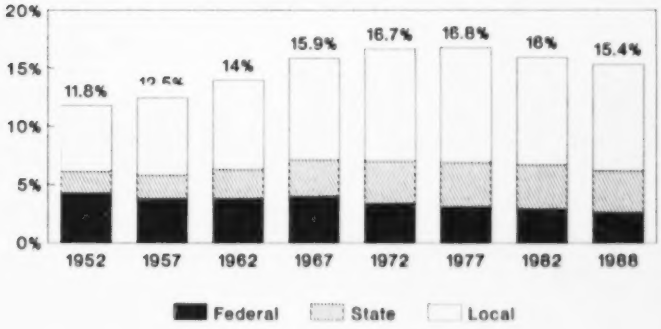
Public Employment Rises Steadily Until Mid-1970s, Then Drops Slightly

Public employment figures tell a similar story. In the decades after World War II, public employment grew steadily, particularly at the state and local level, as governments invested resources in capital improvements and education programs that had been neglected during the Depression and war years.

14

But then in the 1970s public employment leveled off. In the 1980s, the proportion of the total U.S. work force in the public sector declined slightly, accounting for only 15.4 percent of total employment in 1988.

Chart 10.
Public Employment as a Percent of Total Employment



Source: Bureau of Labor Statistics, Employment and Earnings; Census Bureau, Historical Statistics

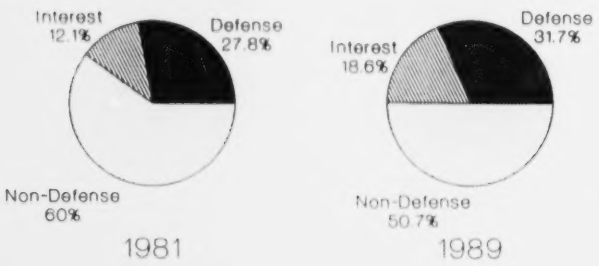
Shift in Spending Priorities in 1980s: Social Spending Down, Defense and Interest Payments Up

While government spending and employment levels have remained relatively stable since the mid-1970s, what we are buying with our tax dollars has changed away from human needs and towards defense and debt payments.

At the federal level, domestic spending (excluding Social Security, which is financed by a separate trust fund) dropped from 60 to 50 percent of all federal expenditures. In contrast, military spending increased from 1980 to 1989, both absolutely (up 49 percent) and as a share of the federal budget (from 27.8 to 31.7 percent). There has also been a shift within the military budget, reducing the portion allocated to personnel and operations (62 to 56 percent) while increasing the portion spent on hardware, procurement, research and development, and military construction (37 to 43 percent).

Because the defense build-up was largely financed by borrowing rather than new taxes, federal debt payments have soared in the 1980s. By 1989, almost one out of every five federal dollars -- $165 billion -- went to pay the federal deficit.

Chart 11. Federal Spending, 1981-89: Domestic Down, Defense and Debt Up (excluding Social Security)

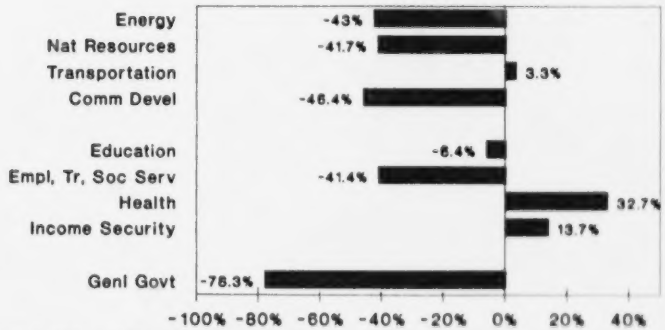


Source: Office of Management and Budget Historical Tables, Budget of the U.S. Government, FY1990

Federal Cutbacks to State and Local Governments in 1980s Force Reductions in Education, Social Services, and Capital Improvement Projects

16 Under the U.S. system of federalism, a significant portion of state and local services are paid for by federal grants-in-aid. But in the 1980s, these federal grants to states and localities were cut dramatically, from 21 percent of state and local budgets in 1978-79 to 16.8 percent in 1986-87. Financially strapped state and local governments were unable to fill in the revenue gap, causing large cuts in spending on education, the environment, community development, employment and training, social services, and capital improvements.

Chart 12.
Federal Aid to States and Localities Drops in the 1980s



Source: Office of Management and Budget Historical Tables, Budget of the United States Government FY1990

How Do We Pay for Public Services?

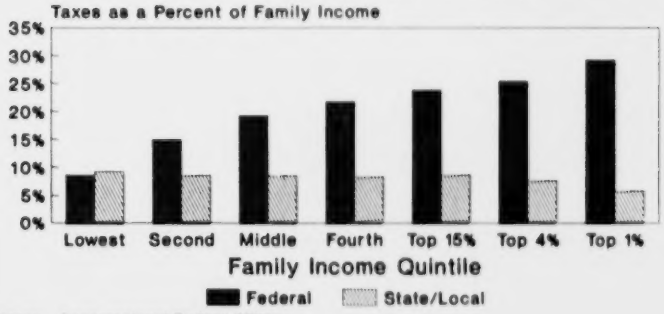
The principle behind government finance is simple: costs should be distributed fairly among the public. A fair tax system is one that is based on the ability to pay, so that as income increases, so does the proportion of earnings an individual or business pays in taxes.

But the tax systems imposed at the state and local levels are skewed to place a disproportionate burden on low and middle income Americans. Meanwhile, the federal tax system, long the most progressive of the nation's taxes, has become considerably less fair over the past decade, and a huge share of federal spending is now paid for by borrowing.

When corporations and the wealthy -- those with the most income -- fail to pay their fair share of taxes, adequate financing of public services is endangered.

Among the sources of government revenue, income taxes account for almost 90 percent of federal and one-quarter of state governments' general revenues. Income taxes are the most progressive of all revenue sources, with rates rising as family or corporate income rises. On the other hand, sales, excise, and property taxes and user fees, which account for the bulk of state and local government revenues, place the greatest burden on low and middle income Americans. With these revenue sources, the poorer the family, the greater the share of family income consumed by these taxes.

Chart 13.
Federal, State, and Local Taxes
As Shares of Family Income, 1988



Sources: Congressional Budget Office, The Changing Distribution of Federal Taxes, 1975-90; Citizens for Tax Justice

Federal Taxes: Burden Shifts from Wealthy to Low and Middle Income Americans

Federal revenue comes in large measure from corporate and personal income taxes. Changes in federal tax policy in 1981 resulted in wealthy Americans and corporations paying smaller portions of their income in taxes than they did a decade ago. One-quarter of federal spending is now paid for by borrowing against the future.

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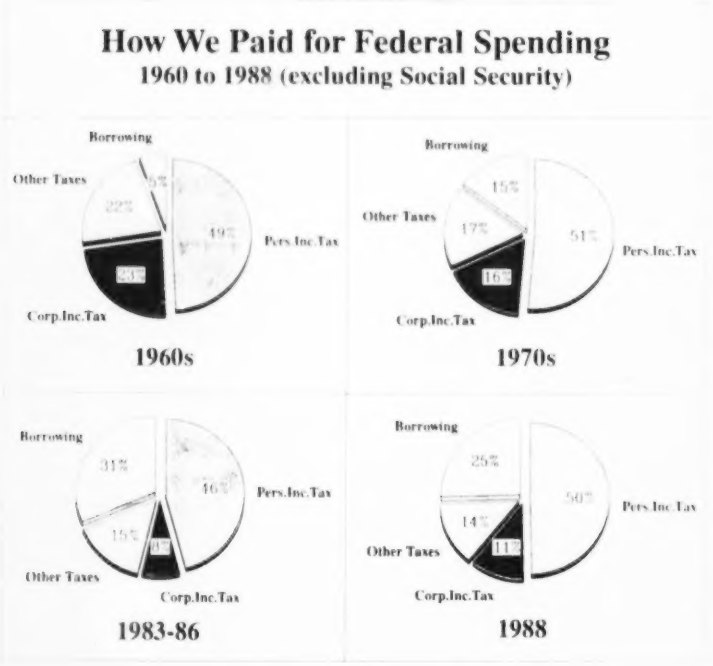
Chart 14.



Source: Citizens for Tax Justice, Inequality and the Federal Budget Deficit

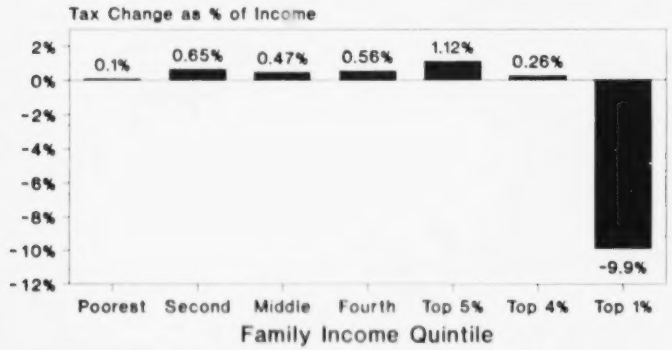
In the 1980s: Federal Tax Cut for Richest Five Million Americans; Tax Increases for All Other Americans

• In the 1960s corporate income taxes paid for 23 percent of federal spending (excluding social security). By 1988, they were paying for only 11 percent of federal non-social security spending.

• A 1987 study by the Congressional Budget Office found that the wealthiest one percent of Americans got an average tax cut of $44,440, a 25 percent tax reduction since 1977. In contrast, all but the wealthiest five percent of Americans were paying more in federal taxes, averaging about one percent of family income.

• Altogether, tax cuts for the richest five million American families (including their share of corporate tax reductions) account for a total of $370 billion from 1981-87, more than double the current annual federal budget deficit.

Chart 15.
Changes in Total Federal Taxes, 1977-88
As a Percent of Family Incomes

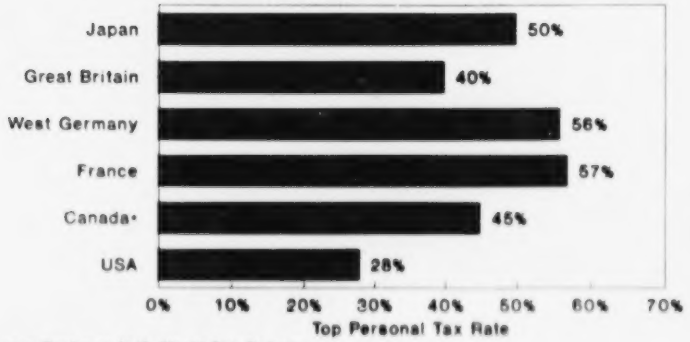


Source: Citizens for Tax Justice, Inequality and the Federal Budget Deficit

U.S. Tax Rates on the Wealthy and Corporations Are Among the Lowest in the Industrial World

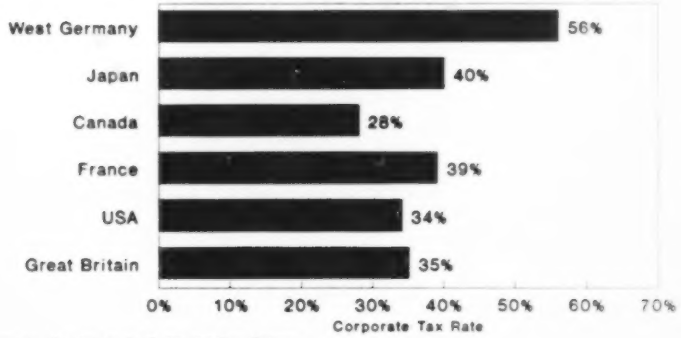
Other Western democracies finance their public services by placing a much greater responsibility on those with the most resources -- the wealthy and corporations. The U.S. corporate tax rate (34 percent) is about two-thirds the corporate tax rate in West Germany (56 percent) and 15 percent lower than in Japan (40 percent). At the same time, the richest Americans are taxed at a 28 percent rate on personal income, about one-half the rate of the wealthiest West Germans (56 percent) and Japanese (50 percent).

Chart 16.
U.S. Tax Rates on the Rich are the Lowest in the Industrial World



Source: Pechman (ed), World Tax Reform: A Progress Report, and Pechman (ed) Comp Tax Systems: Europe, Canada, Japan
* Includes provincial taxes

Chart 17.
U.S. Corporate Tax Rates are Among the Lowest in the Industrial World



Source: Pechman (ed), World Tax Reform: A Progress Report and Pechman (ed), Comp Tax Systems: Europe, Canada, Japan

Fair Taxes on Wealthy and Corporations Do Not Inhibit Savings and Investments

Corporate leaders and wealthy Americans defend their low tax rates as essential to provide sufficient capital for private investment. But the facts show otherwise.

- In the U.S., following the 1981 federal tax cuts for corporations and the wealthy, the personal savings rate and the rate of increase in business investment fell sharply, growing only 2.1 percent a year from 1981 to 1986. However, since the 1986 Tax Reform Act which closed many of the business loopholes, real business investment has grown at a rate of 6.1 percent per year.

- A study by Citizens for Tax Justice found that companies that paid no taxes from 1981 to 1985 as a result of the

loopholes and "incentives" adopted in 1981 actually cut back on investment and laid off workers. In contrast, companies that did not enjoy much in the way of loopholes (and consequently paid their fair share in taxes) expanded investment and added to their labor forces.

Despite higher corporate and personal income tax rates in West Germany and Japan, businesses and wealthy individuals there surpass the U.S. in investment and savings rates.

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Chart 18.
Despite Higher Tax Rates, U.S. Competitors Have Higher Investment and Savings Rates

Country	Investment in Machine & Equip. (% GDP 1980-83)	Gross Fixed Capital Formation (% GDP, 1980-84)	Net Savings (% GDP, 1980-84)
W. Germany	8.2	21.2	8.7
Japan	10.1	29.6	17.3
USA	**7.8**	**17.5**	**3.8**

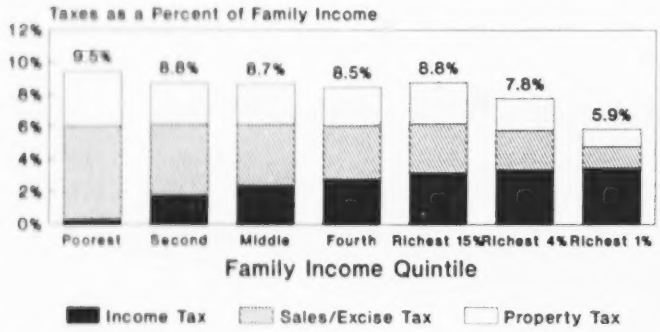
Source: Economic Policy Institute, No Longer Leading

State and Local Revenues: Excessive Reliance on Property and Sales Taxes Places an Unfair Burden on Low and Middle Income Americans

In 1986-87, only one-quarter of state revenues came from income taxes, the only state tax that takes a larger share of rich people than poor people's income. In contrast, one-third of state and more than half of local revenue came from sales, excise, and property taxes or user fees.

Sales and excise taxes (such as taxes on gasoline or tobacco) place the greatest burden on low and middle income Americans. All Americans must buy the basic necessities on which these taxes are levied, but they constitute a much greater share of family income for poor families. For example, in 1988 the poorest fifth of American families spent four times as much of their family income (5.8 percent) on sales and excise taxes as the richest one percent of American families did (1.3 percent).

Chart 19.
State and Local Taxes in 1988:
Unfair Burden on Poor and Middle Class



Sources: Congressional Budget Office, The Changing Distribution of Federal Taxes, 1975-80; Citizens for Tax Justice

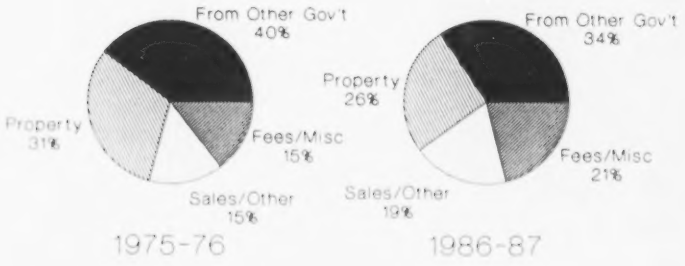
State and Local Revenue Shifts in the 1980s

As the federal government cut grants to state and local governments in the 1980s, state and local governments cut services, or made up lost revenues by hiking special assessments and "user" fees -- charges to enter public parks, borrow library books, get garbage picked up, and the like. Between 1975-6 and 1986-7, user fees and other miscellaneous revenues and assessments went from 15 to 21 percent of local revenues and from 12 to 16 percent of state revenues.

24

The property tax revolts of the 1970s, coupled with cutbacks in federal and state grants, have put enormous pressure on local governments. A 1989 survey by the National League of Cities found that nearly half of all cities report expenditures exceed revenues, despite increased fees and reductions in operational and capital spending.

Chart 20.
Local Revenue Shifts, 1970s to 1980s
Fees Up, Aid from Other Govts Down



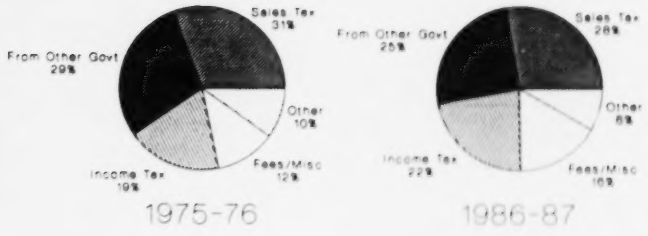
Sources: Census Bureau, Government Finances in 1986-87 and Hist Statistics on Gov't Finances

State Revenue Shifts

While state governments have suffered from a cut in federal aid (down from 29 to 24 percent of revenues), they have also made some progress in the past decade toward fairer taxes. Compared to the mid 1970s, states now rely more on the income tax (up from 19 to 23 percent of revenues) and rely slightly less on sales and excise taxes (down from 31 to 28 percent of revenues). Tax analysts caution, however, that this progress may be temporary, reflecting one-year changes in taxpayer behavior in response to the 1986 federal tax law changes.

25

Chart 21.
State Revenue Shifts, 1970s to 1980s
Federal Aid Down



Source: Census Bureau
Government Finances in 1986-87
Historical Stat on Gov't Finances

Insufficient Investment in Public Services Hurts Communities Today and in the Future

The result of these cutbacks at the local, state, and federal levels are well documented. Poverty and homelessness is up, but the number of people served by nutrition, health, housing, education, and other programs is down.

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- Only 40 percent of the poor were receiving Medicaid in 1989 compared with 65 percent in 1973.

- The number of poor renter households receiving no housing subsidies increased more than one third from 1979 to 1987, from four million in 1979 to 5.4 million.

- Nutrition programs are serving ten percent fewer families in 1987 than in 1980.

- In 1987 only 18.5 percent of poor children were enrolled in the highly successful Head Start pre-school program, compared to 25 percent of poor children enrolled in 1978.

At the same time, lack of investment in our physical infrastructure is "seriously compromising the productivity and international competitiveness of the United States." (Merrill Lynch, 1989).

The double tragedy is that the failure to invest today means the bill will be larger tomorrow. A recent study by Chicago Federal Reserve Bank economist Alan Aschauer finds that 80 percent of the productivity decline in the U.S. since the early 1970's "can be attributed to the neglect of infrastructure."

A few examples tell the story:

- **Our Neglected Infrastructure**: Capital outlays for public works dropped from 2.3 percent of national income in 1960 to 1.1 percent in 1988. Nationally, a bridge collapses every two days. In 1988, the National Commission on Public Works Improvement reported that "the quality of America's infrastructure is barely adequate to fulfill current requirements, and insufficient to meet the demands of future economic growth and development."

Chart 22. Our Declining Infrastructure: Capital Outlays for Public Workers as a Percent of GNP

Source: Merrill Lynch, Weekly Economic and Financial Commentary based on U.S. Commerce Department data

• **Human Investments**: By 1989, one out of every five children in the U.S. were growing up in desperate poverty. But public programs touch only a small portion. Preventive investment is not only good social policy, it is good budget policy.

- Every $1 invested in quality pre-school education saves $4.75 because of lower costs of special education, public assistance, and crime.
- Every $1 invested in prenatal nutrition and health care saves more than $3 in short-term hospital costs for premature babies.
- A $600 one-year investment in compensatory education can save $4,000 in the cost of a single repeated grade.
- Every $1 invested in on-the-job training returns $2.28 in reduced unemployment benefits and additional tax revenues.

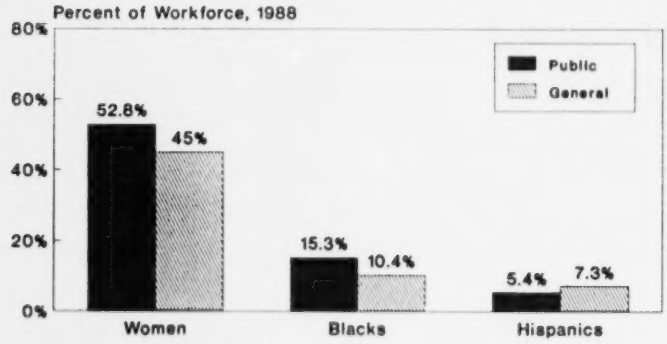
• **Federal Budget Deficit**: The next generation of Americans will be paying the bill for the (primarily) defense spending binge of the 1980s. Unless tax policies shift to require this generation of wealthy Americans and corporations to pay their fare share, desperately needed public services will be sacrificed as revenues go to pay for the public debt.

Part Two: A Closer Look at the Men and Women Who Deliver Public Services 29

Workforce 2000, a study commissioned by the U.S. Labor Department, predicts that in the coming decades the U.S. work force will be increasingly female, minority, and service-oriented. In this sense, the U.S. public sector is the work force of the future. More than half (52.8 percent) of government workers are women compared to 45 percent of the general work force. Blacks are 15.3 percent of all government workers, compared to 10.4 percent of all workers. Hispanics, however, are under-represented in the public sector.

30

Chart 23.
Women, Blacks Find Opportunity in Government Jobs

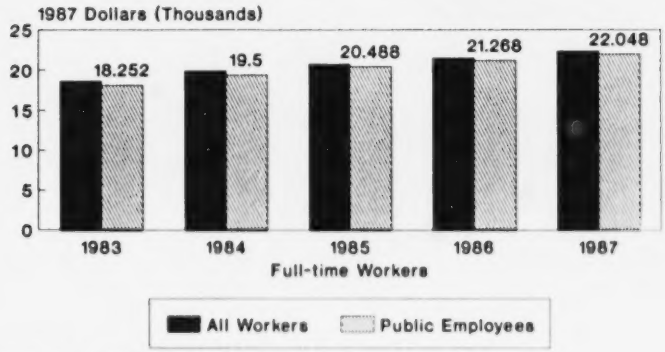


Source: Bureau of Labor Statistics, Employment and Earnings and Labor Force Statistics from the Current Pop Survey

Public Employees Earn Middle Income Salaries

While public sector salaries vary enormously, national averages put public workers squarely in the middle class. In 1987, the median annual earning for full-time government employees was $22,048, slightly less than the $22,380 median earning for all U.S. full-time, year-round workers. Throughout the 1980s, average earnings for public employees have tracked U.S. median income.

Chart 24.
Public Employees Earn, On Average, Middle Income Salaries



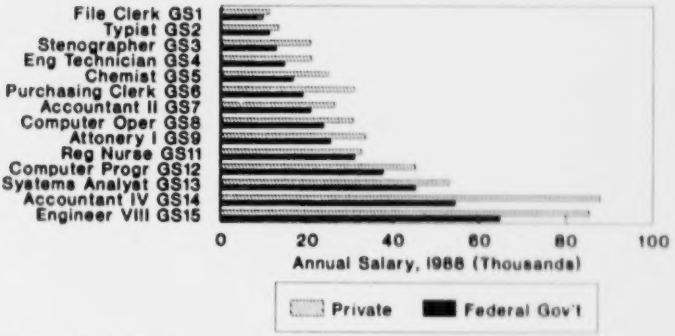
Source: BLS, Employment and Earnings and Labor Force State; Census Bureau, Money, Income, Pov Status of Families

Pay Inequities Persist in the Public Sector

Despite overall positive trends, major inequities persist in public employment. Federal employees earn, on average, 28 percent less than their counterparts in the private sector, according to a 1989 Department of Labor survey. These large wage gaps can be found at every civil service grade, from a grade one typist (13 percent pay gap), a grade six chemist (38 percent pay gap), to a grade fifteen engineer (23 percent pay gap).

32

Chart 25.
Federal Workers Earn 28 Percent Less Than Private Workers



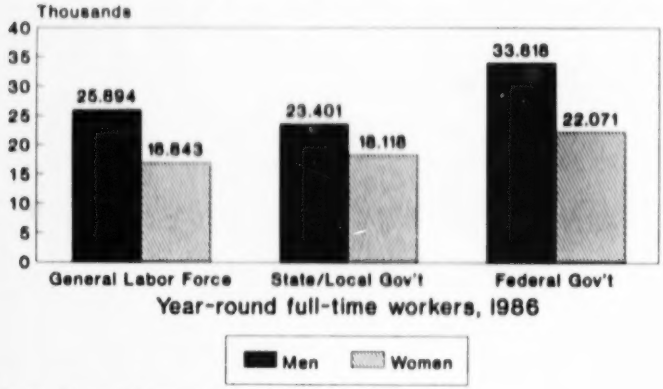
Bureau of Labor Statistics, National Survey of Profl, Adm, Tech, Clerical Pay, 1989

Male/Female Earnings Gap Persists in Government Employment

In federal employment, women earn only 65 percent of male wages; in state and local government, women earn 77 cents for every dollar earned by a man. When jobs are compared based on skill, responsibility, effort, and working conditions, pay for female jobs falls far short. By 1988, 20 states and 1,547 localities had paid or appropriated pay equity adjustments to female and minority public employees to correct for past discrimination in pay practices. By 1989, the federal government had taken no action on pay equity.

33

Chart 26.
Female Wages Lag Behind Male Wages



Sources: Office of Personnel Mgt,
Equal Employment Opportunity Commission,
Bureau of Labor Statistics

Occupational Health and Safety: Despite Hazards, Public Employees are not Covered by National Standards

Despite the image of clean, white collar public jobs, government workers suffer from a variety of health and safety concerns. Police, fire fighters, and corrections officers put their lives at risk every day. The National Safety Council reports that working for the government is twice as dangerous as construction work and three times more dangerous than working for the private sector as a whole.

Other at-risk public workers include health and public safety workers who care for patients with AIDS and other infectious diseases, clerical employees working on video display terminals, office workers suffering from indoor air pollution, and maintenance workers and others exposed to deadly asbestos.

Fourteen percent of all workers' compensation claims in the 1980s were for stress-related disease. With the decline in public budgets in the 1980s, many dedicated government workers have been trying to do more with less -- a recipe for stress, as well as a threat to quality service.

Despite these documented health and safety hazards, public employees are not covered by the national Occupational Safety and Health Administration (OSHA). There are only 23 states with OSHA-approved health and safety plans for public employees.

Chart 27. Public Employees in 27 States Are Not Covered By Federally Approved Health and Safety Standards

Part Three: Public Sector Unions Contribute to Quality Public Services 37

Public Employees Choose Unions When They Have Legal Protection

Public employees are the only group of workers in this country without the federally-protected right to organize and bargain collectively. Therefore, state and local public employees must turn to state laws to guarantee collective bargaining rights. By 1989, 26 states and the District of Columbia had passed such laws.

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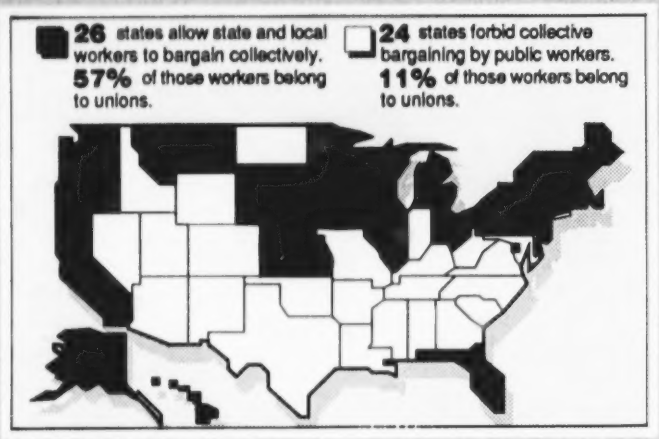
When legally protected, public employees actively choose unions. In the 26 states with bargaining laws, 57 percent of all public employees are represented by unions. But in the 24 states without legal protection, only 11 percent of public employees are in unions. (In the private sector, 14 percent of all workers were represented by unions in 1988.)

Federal non-postal employees were granted limited rights to organize and negotiate on work-related issues by a 1962 presidential Executive Order and a 1978 federal law which established the Federal Labor Relations Authority. However, federal non-postal unions cannot bargain over wages and benefits. Postal employee unions, under a 1970 statute, have the right to bargain collectively over hours, wages, and working conditions. By 1987, more than 90 percent of postal and 60 percent of other federal employees were represented by unions.

Chart 28. Public Workers Choose Unions in States with Bargaining Laws


26 states allow state and local workers to bargain collectively. 57% of those workers belong to unions.
24 states forbid collective bargaining by public workers. 11% of those workers belong to unions.

Source: Bureau of Labor Statistics
Graphic: Knight Ridder-Tribune News/ Marty Westman

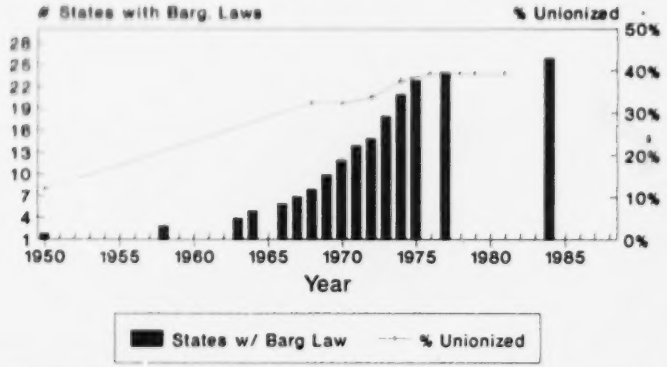
Public Employee Unions Promote Quality, Career Public Service

Throughout this century, all those interested in honest government and quality public services have actively promoted the expansion of a career public service. Each time graft, corruption, and political intrigue rears its ugly head, reformers move to expand
40 the civil service in order to eliminate patronage and shady government contracts.

By working to secure the wages, benefits, and working conditions that make career public service an attractive option for dedicated public employees, public employee unions have been a major force contributing to the increased professionalism among public servants.

Public employee unionism vastly expanded in the 1960s and 1970s, as more and more states passed collective bargaining laws. Although only 12 percent of public workers were represented by unions in 1950, by 1988, the rate had climbed to 36 percent of all public employees.

Chart 29.
As Bargaining Laws are Enacted, Union Rates Go Up in the Public Sector



Source: Bureau of Labor Statistics, Current Population Survey

Labor-Management Cooperation for Improved Public Services

By and large, public sector unions have achieved their aims through the collective bargaining process. Public sector strikes are few and far between. In 1981, the most recent year for which comprehensive data is available, government workers were out on strike less than .06 percent of total work hours.

However, the tight fiscal environment of recent years poses new challenges to public workers. They must continue to deliver quality services with fewer resources. In this context, a new way of "doing business" is quietly taking hold. Public managers and public employee unions are working together, through labor-management committees, to provide better services, to do more with fewer tax dollars, and to create better work environments. Already, dozens of state and local labor-management committees are working to ensure that taxpayers get the best government possible for their tax dollars. A few examples:

- **Jackson County, Ore.**: The roads maintenance division worked with their union to devise a plan to improve road maintenance at reduced cost.

- **Dade County, Fla.**: The teachers' union and the public school management instituted a joint program of school-based management that is already a national model.

- **New York state:** A joint labor-management child care advisory committee has established 38 on-site centers for the care of 2,400 children of public employees throughout the state.

- **Madison, Wis.:** The union worked with the mayor and city council to improve a variety of city services.

These and other public sector labor-management cooperative efforts demonstrate that creative solutions can be found to ensure that quality public services continue to be delivered by career public servants.

The American Public Shows Overwhelming Support for Public Services

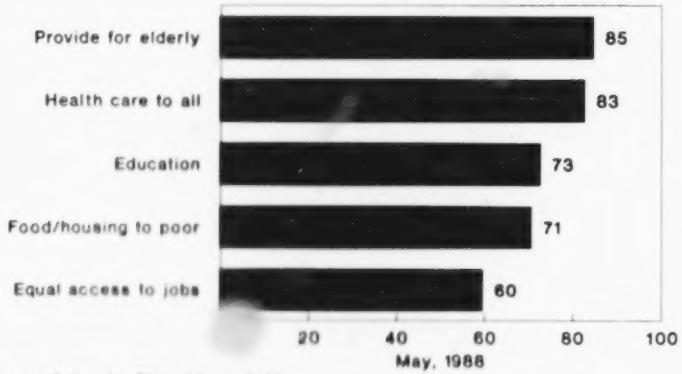
Americans have consistently supported public services that help individuals, families, communities, and businesses to prosper. Even in the early 1980s, despite the anti-government rhetoric, the vast majority of Americans reported to pollsters their support for government spending on education, health care, housing, the environment, and elderly programs. By 1988, according to Louis Harris polling data, this support is overwhelming:

- **Education:** Eighty-one percent of Americans say they are willing to pay two percent more of their income to finance public education.

- **Environmental Protection:** A three to one majority favor strict enforcement against toxic waste, acid rain, and contamination of the water supply.

- **Build America's Infrastructure:** A seven to one majority favor spending in this area.

Chart 30.
Americans Support Public Programs
Percent Who Say More Govt Action Needed



Source: Gallup for Times Mirror, 5/88

- **Elderly, poor, minorities, homeless:** Seventy-five percent want something done about these critical problems.

- **Access to Health Care:** Eighty-three percent believe the government should adopt programs that ensure universal access to health care, and 51 percent support such a program even if this would result in a tax increase. (Gallup, May 1988)

The revenue to finance these programs need not come from the hard-earned dollars of low and middle income Americans. Simply closing federal corporate tax loopholes could raise $10 to $15 billion, and raising the marginal tax rate on the wealthiest Americans to 33 percent would raise billions more. In addition, as the Cold War winds down, many Americans are re-thinking military spending priorities. A 1988 survey found that while nearly three-quarters of those polled want the government to spend more on "economic programs to create jobs and economic growth" and nearly two-thirds want to spend more on "social and domestic programs such as health care, social security and the like", just 14 percent support increased military spending. (Americans Talk Security poll, February, 1988)

Public Employees are Meeting the Challenges of the Future

The strength of our economy and our communities depends on the quality of our public services. But even more, it is through these public programs that we are bound together as a society, each citizen with a responsibility to the other.

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In this sense, the 17 million women and men working for local, state, and federal government are truly public servants. It is their dedicated work, day in and day out, year after year, that ensures an improved quality of life today for all Americans and builds a better tomorrow for us all.

The Public Employee Department
is composed of 33 unions
representing 4.5 million public sector workers
on the federal, state, and local levels.
They are:

Amalgamated Transit Union
American Federation of Government Employees
American Federation of School Administrators
American Federation of State, County and Municipal Employees
American Federation of Teachers
American Postal Workers Union
Communications Workers of America
Graphic Communications International Union
Hotel Employees & Restaurant Employees International Union
International Association of Fire Fighters
International Association of Machinists & Aerospace Workers
International Brotherhood of Electrical Workers
International Brotherhood of Firemen & Oilers
International Brotherhood of Painters & Allied Trades of the U.S. and Canada
International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America
International Chemical Workers Union
International Federation of Professional & Technical Engineers
International Organization of Masters, Mates & Pilots, ILA
International Plate Printers, Die Stampers & Engravers
International Union of Operating Engineers
International Union of Police Associations
International Union, United Automobile, Aerospace & Agricultural Implement Workers of America
Laborers' International Union of North America
National Association of Letter Carriers
Office & Professional Employees International Union
Professional Airways Systems Specialists, MEBA/NMU
Seafarers International Union of North America
Service Employees International Union
Sheet Metal Workers International Association
United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the US
United Brotherhood of Carpenters & Joiners of America
United Steelworkers of America, AFL-CIO
Utility Workers Union of America

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